

STAND. COM. REP. NO.

1218

Honolulu, Hawaii

March 27, 2015

RE: S.B. No. 1096
S.D. 1
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 1096, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ON-BILL PROGRAMS,"

begs leave to report as follows:

The purpose of this measure is to ensure that electric
utilities serving as a billing and collection agent in a purely
"pass-through" capacity for any on-bill financing or repayment
program are exempt from various state or county taxes and state
laws regulating financial institutions, escrow depositories, and
collection agencies.

The Public Utilities Commission; Department of Business,
Economic Development and Tourism; Department of Taxation; Hawaiian
Electric Company; Hawaii Electric Light Company; Maui Electric
Company; and an individual testified in support of this measure.
The Tax Foundation of Hawaii provided comments.

Your Committee notes that it has been the intent of the
Legislature to not treat the collection of revenues, where such
collection represents a pure reimbursement, as income for taxation
purposes. In the current measure, your Committee finds that a
utility, while serving as a billing and collection entity, is not
actually raising revenues. Rather, the billed and collected on-
bill obligations represent pass-through expenses.

SB1096 HD2 HSCR CPC HMS 2015-2884



Your Committee has amended this measure by changing its effective date to July 1, 2112.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1096, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1096, S.D. 1, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



HSCR 1218

Bill/Resolution No.:	Committee Referral:	Date:		
SB 1096, SDI, HDI	EOP, CPC, FIN	08/25/2015		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. WOODSON, Justin H. (VC)	/			
3. BELATTI, Della Au	/			
4. BROWER, Tom	/			
5. CREAGAN, Richard P.	/			
6. HAR, Sharon E.	/			
7. HASHEM, Mark J.	/			
8. KAWAKAMI, Derek S.K.	/			
9. LEE, Chris	/			
10. NAKASHIMA, Mark M.	/			
11. OSHIRO, Marcus R.	/			
12. SAN BUENAVENTURA, Joy A.	/			
13. TAKAYAMA, Gregg	/			
14. YAMANE, Ryan I.	/			
15. FUKUMOTO CHANG, Beth	/			
16. McDERMOTT, Bob	/			
TOTAL (16)	16			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				